

UPDATED INFORMATIVE DIGEST

Existing law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program under which, through a combination of state and county funds and federal funds received through the Temporary Assistance for Needy Families program, each county provides cash assistance and other benefits to qualified low-income families. To qualify for the program, a family's total net nonexempt income must be below a certain dollar amount. In calculating that net income, a portion of earned income is disregarded.

Existing law establishes maximum aid grant amounts to be provided under the CalWORKs program, subject to specified adjustments. Existing law reduces the maximum aid payments in effect on September 1, 2007, by 4%, commencing July 1, 2009. SB 72 (Chapter 8, Statute of 2011) reduces the maximum aid payments in effect on July 1, 2009, by an additional 8%, and authorized implementation of this reduction by all-county letters or similar instructions from the CDSS, pending the adoption of regulations, as specified.

Existing law provides that certain amounts are exempt from the calculation of income of the family for purposes of determining financial eligibility for the CalWORKs program. These exempt amounts include \$225 of disability-based unearned income, and an amount of otherwise exempt earned income as specified. SB 72 revises the above earned income calculation when the amount of disability-based unearned income is less than \$225, to exempt the total amount of the disability-based unearned income plus the lesser of (1) \$112 of earned income that is not otherwise exempt, or (2) the amount of otherwise nonexempt earned income that represents the difference between the amount of unearned disability-based income and \$225 (up to \$112), and 50% of any additional earned income.

The Manual of Policies and Procedures (MPP) are being amended to mirror changes made to the Earned Income Disregard implemented by SB 72. The MPP contains several handbook sections with examples of application of the income disregards in determining eligibility and aid payment levels. These handbook sections and examples are being updated with the revised method for calculating net income based upon Welfare and Institutions Code (WIC) Section 11451.5, the applicable current Maximum Aid Payment levels in WIC Sections 11450 and 11453(c)(6), and the Minimum Basic Standard of Adequate Care levels as determined per WIC Section 11453.

The benefits of the regulatory action to the health and welfare of California residents, worker safety, and the state's environment are as follows:

- Counties are allowed more effective utilization of limited resources for CalWORKs services and provide counties additional flexibility to address funding constraints due to the continued reduction to the State General Fund and the CalWORKs single allocation.

The CDSS finds that these proposed regulations are compatible and consistent with the intent of the Legislature as well as with existing state regulations.

These regulations were considered at the public hearing held on August 29, 2012 in Sacramento, California. No written or oral testimony was received during the 45-day comment period from July 13, 2012 to 5:00 p.m. August 29, 2012.

CDSS did not renotice these regulations because no changes requiring renotice were made to the regulations following the public hearing.